

Is there an Amazing Way to Deal with the Crisis of EU Integration?

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Abstract: Nowadays, we talk about economic crisis, financial crisis, political crisis, Eurozone' crisis and the criticisms on 2007-2013 EU cohesion policy is facing makes me wonder if it isn't about a crisis of European integration? The economic booms of 1993-2007 as well as the recession started by the end of 2008 have fallen unequally across EU population, regions and cities, increasing spatial economic inequality. This is because regions differ with respect to their local economic activity, employment opportunities, social and cultural infrastructure, public services, governance structure, environmental quality and so on. Therefore, EU cohesion policy must not be concerned only with reduction of regional inequalities of prosperity across Europe, but also with the construction of a European regional identity, with the aim to promote regional development in a globalized world. Through this paper I want to explore the question of whether there is a path not to lose our European sense in these tormentors' times. This is because the EU anti-crisis marathon started and there are already many debates regarding the Multiannual Financial Framework for the EU Budget 2014-2020 and which instruments must be developed in order to maintain the accent of cohesion policy over the delivery of the Europe 2020 objectives.

Keywords: multi-level governance; smart and target investments; solidarity; economic wellbeing

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1 Introduction

The ground-work for successfully build Europe started on May 9, 1950, with the historical declaration of the French foreign minister, Robert Schuman. Since then, May 9 became the annual celebration of *peace* and *unity* in Europe.

But, is this celebration somewhat outdated now?

The *separation* seems to be the word that governs Europe in nowadays. Different opinions on the future of EU budget do not have anything in common with the principle of diversity but with adversity. The parting between *net contributors to communitarian budget* (such as Germany, United Kingdom, France, Finland, Sweden, Holland and Austria) and the states from the "*friends of cohesion*" group is very visible. EU was designed to be a *battle of ideas* and not an *ideological battle*.

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In this context, the **resurgence of the Europe Union**, which is vital for assuring the peace and the unity on the old continent, may be obtained only by *a bottom up approach*, that is, at the philosophical level, the attribute of **cohesion policy**. Therefore, an extensive range of tools to promote regional development is needed for the next programming period, in order to overcome the strong effect of the on-going crisis on European economy, which may be resumed in increased inequalities between and among Member States, mass unemployment and socio-economic insecurity.

Accordingly, the policymakers together with the academics should find new approaches and solutions towards recovery for the EU as a whole.

With respect to this research note, it intends to be a starting point to a larger debate on “*Que vadis EU?*” under the aegis of the International Conference: “*Regional development between recent experiences and future challenges*” organized by Romanian Association of Regional Science.

2 Related Studies

“Although *cohesion* has been a substantive part of the process of European integration, the prospect for a **genuine European Social Model** is far from being a reality. [...] The predominance of national states over EU institutions makes social harmonisation a difficult task. Incentives for coordination are scarce as a result of divergence in *economic development, policy preferences, political systems, identities and cultural attachments*.” (Diaz & Zamanillo, 2011) Also, “the conflict between capital and labour interest has resulted in the *predominance of European business objectives* in the EU agenda.” (Van Aperdoon, 2006) As stated by Antoniades, there is “a certain antagonism between Anglo-Saxon – more market oriented – and the Continental model – more sensible to social concerns – in favour of the former.” (Antoniades, 2008)

Additionally, *governments blame European institutions* for bad developments and decisions, even *when Member States had initially agreed* to them. This is reflected by Gerhards’ findings on the basis of media debates in Great Britain and Germany. (De Wilde & Zurn, 2012). As it is clearly highlighted by Kriesi, the cleavage between “*integration*” and “*demarcation*” plays an important role. There is an “increasing conflict between those in favour of opening national societies, economies and politics, and those who seek national isolation in immigration, trade matters and political integration issues” (Kriesi, Grande, Lachat, Dolezal, Bornschie, & Frey, 2008). In other words, *national identity* is facing the *incursions of international institutions*, the challenges of *globalizations* and *cosmopolitan thinking*. (De Wilde & Zurn, 2012)

Paul Krugman designed four *scenarios for the EU crisis management* (Can Europe Be Saved?, 2011): •*Revived Europeanism* – as moving closer towards a fiscal union; •*Toughing it out* – as contracting budgets and services but avoiding default; •*Debt restructuring* – as losing the ability to borrow any more money; •*Full Argentina* – as troubled economies breaking their link with the euro.

Furthermore, based on the key indicators for European future, Agh (The European Futures and Cohesive Europe EU2020 Strategy and Cohesion Policy with Flexible Integration, 2011) elaborated a four scenario model and readjusted it from time to time in order to capture the possible future outcomes for the EU in a SWOT analysis with positive and negative synergies.

Head start scenario (Strengths)

- The small versus big MS
- Basic Reform with a creative crisis
- The Nordic scenario (Europe - the World's Scandinavia)

Fragmented EU scenario (partial disintegration -weaknesses)

- The pro-integration versus Euroscentic MS
- Weak reform with increasing divergence
- The British scenario (weak EU reduced to the Common Market)

Continental scenario (Opportunities)

- The good performer versus laggard MS
- Partial reform with moderate divergence
- The Western scenario (German-French engine)

Doomsday scenario (Threats)

- The new-new virtual members versus all MS of the EU27
- Missing reform and overextension of the EU
- The stagnation scenario (long term zero growth with quasi desintegration)

Figure 1. The SWOT analysis of EU possible future

3 The Crisis of EU Integration

Recent EU literature is filled with so-called crisis and many of these crises are catalogued as the *worst ever* (Wallance, 2012): “existential crises” (Moeller & Parkers, Preface: A Fitness Regime for the European Union, 2011), “international crisis (financial first, then economic, social and political)” (Renard & Biscop, 2011), “Euro-crisis” (Moeller, The Flexible Union: Rethinking Constitutional Affairs), “serious financial and economic crises” (Devrim & Vaquer, 2011), “banking crisis, economic crisis, Euro-crisis, legitimacy crisis” (Van Den Berge, 2011). In addition to these essays published by observers from the academic world,

gloomy statements on EU's health and well-being, come both from EU politicians and from journalist: "If the Euro fails, Europe fails" – German Chancellor Angela Merkel's statements before the Bundestag (Center for Strategic & International Studies, 2011), "While the world waits for Europe to make up its mind, catastrophe is in the air." (The Economist, 2011).

Wallace's article about the EU collapsing literature shows that "repeated and exaggerated claims of imminent disaster have been a feature of politics within the EU ever since the Common Market was formed in the 1950s" and demonstrates that "*these exaggerated claims* are based on *unexamined premises* and are backed by *superficial comparisons* drawn from the history of the EU". In this context, a key question arises:

Are we able to define an EU crisis with scientific precision?

In the absence of any widely accepted indicators that would allow observers to track changes in the *health and well-being of EU*, the correct answer is **to relate** variations in the *severity of so-called EU crises* to variations in *political behaviour, processes and outcomes*.

EU is a phenomenally successful organization that constantly outgrows its treaty-based legal foundation (deepening) as it adds new members (enlarging) and new responsibility (widening), as a result of the tri-dimensional aspect of integration.

Since its early stage (EEC or EC), EU proves to be an important tool that transformed Europe from a collection of warring states into a security community within war would be unthinkable.

By denationalizing defence and security issues, accepting new members, continuing to broaden and deepen the range of issues that come within its purview, **EU proves to be once again strongly oriented toward the future rather than the past.** The fact that EU identifies problems as they arise and tries to offer solution to them demonstrates that **EU grows stronger with every new crisis.**

In my opinion, it is very normal that some members disagree on some issues and it's hardly a surprise that some member states are *pressured to compromise*. But, in a multi-state organization like EU, **compromise is the life-blood that makes EU survive**, despite the repeated strident warnings that Europe is on the verge of catastrophe, facing the most critical crises of its history.

Even if the policy-makers, journalists, pundits and professors, as well, use the word "crisis" when *simply counting the number of unresolved issues* within the EU or when they *estimate the intensity of disagreements* with the EU, we should consider that the occurrence and debating of these various kind of crises – either of geopolitical, social, economic or other nature – is on a large extent an important tool **to increase awareness on EU affairs and to stimulate European**

integration, in the long run, by fostering more intense cooperation among European nation-states.

The hypothesis that **EU integration process represents the sum of energizing efforts to respond to crises** proves to be very accurate. Like previous crises of various kinds, the financial crisis forces the issue of European integration onto political agenda. The *problem-solving approach* developed by European Commission to “**deliver results for Europe**” help us understand *how* and *why* the European Union survives withal illustrating that *conciliation* is the key in finding a solution that would be acceptable to all. Moreover, from all these so-called crises Europe learned that *working collectively confers legitimacy*.



Figure 2. The genuine route of EU integration

Economic growth and social cohesion are not evolving at the same pace among EU countries. Thus, *cohesive Europe* presupposes a flexible integration among EU member states and also a special regional policy for the less developed member states. The unbalanced patterns of growth which are characterizing Europe, cause the increase of inequality, mass economic migration, a deterioration of labour conditions and serious environmental risks.

The improving in *competitiveness* does not guarantee the achievement of *social progress*, which is the core purpose of EU2020 Strategy. In this context there is the need to put into motion a **new mode of inter-regional process of European integration**, much more oriented on *market-correcting* than *market-building*. Thereby, the *renewed cohesion policy* should represent an integrative tool that

allows **the transition from the EU crisis management to its socio-economic recovery.**

The traditional methods to determine classic growth is related on GDP/inhabitant, but this indicator cannot measure the notion of *well-being*. This is because the EU cohesion policy was designed for EU citizens and not for statistical purposes. In order to calculate performance in the regional context, we have to re-think the entire measurement system of regional policy *performance* – **social progress**. Cohesion policy was settled to cope with the *level of divergence of economic development* in EU regions, raised as a consequence of **enlargement** process.

The need of *coordinated regional cooperation* aroused with the **deepening** of EU integration – Single Market. It is therefore essential to identify what intervention within cohesion policy can contribute to achieve each goal of EU2020 Strategy, by reducing the divergence between different parts of the EU, in terms of GDP and social polarisation, as well. A long term answer is needed because *social inequity* is on the rise, the situation becoming worse for groups already at heightened risk, such as young adults, children and emigrants. Moreover, the gender differences still remains, even if the part-time jobs, a traditional domain for women employment, has expanded during the crisis, the pay gap between women and men enlarged, women facing higher risk of poverty and exclusion than men.

In order to invigorate the EU2020 Strategy within the vision of cohesive Europe, the relatively short itinerary seems to be *stronger economic governance*. However, so far the short-term actions-aid package to Greece, Ireland and Portugal (Europact) and the discussion on the renewed cohesion policy through the functional macro-regions strategies (Baltic and Danube) only reflect the *creative aspect of the crisis* in order to rediscover those perspective of a European integration instead of *an integrative balancing mechanisms*, which lead to social progress. Simultaneously, we have to understand that *the advantages* of being a part of this European project must be assigned in accordance with *the extent of our contribution and involvement* in the construction of Europe. The membership which is not corroborated by a proactive attitude is just an act and not an action so the results are accordingly.

4 The Crisis of EU Identity. Why is Europe Differently?

EU was conceived as a unique project in the world with a clear defined mission of bringing the peace on this continent, which was fully accomplished, by the way.

Table 1. The main indicators for European future

INTERNAL REFORMS	EXTERNAL REFORMS
1. Policy reform – the EU2020 as the brave vision of the cohesive Europe	1. The West Balkan enlargement – well designed Road Map for pre-accession.
2. Institutional reform – the Lisbon Treaty completed with the strong economic governance	2. The ENP (European Neighbourhood Policy) renewal – widening as the regionalization in the neighbourhood.
3. Budgeting reform – policy driven budget with the renewed cohesion policy	3. EU as a global actor – promoting European values for the global governance.

Source: (Agh, 2011, p. 54)

Today, the success of this project is widely acknowledged globally, European Union receiving the distinction of Nobel Peace Prize in 2012 for its “*contribution for over six decades to the advancement of peace and reconciliation, democracy and human rights*”. (European Commission)

With this occasion the President of the European Council and the President of the European Commission made a joint statement (European Commission):

“This Prize is the strongest possible recognition of the deep political motives behind our Union: the unique effort by ever more European states to overcome war and divisions and to jointly shape a continent of peace and prosperity. It is a Prize not just for the project and the institutions embodying a common interest, but for the 500 million citizens living in our Union”.

This **transformative power** of the European Union arose from the active involvement of all member states. Looking back in time, the **stabilizing role** played by the EU was built on *some compromises* and, pointing towards the future, *other compromises* are required in order to go forward together.

The EU working-agenda increases in volume but also in complexity as a direct consequence of **tridimensional process of integration**: *deepening, widening and enlargement*. The essential vectors in turning “old enemies” into “close partners” are *coordinated efforts* and *mutual confidence*. Moreover, the Community should focus on **stability** and **public health**, as a priori conditions for *economic growth* and *reduced unemployment*.

5 Possible Solutions: from Crisis to Recovery

A range of tools are designed in order to counter the negative effects of the crisis towards the *integration* of EU member states and much more, of EU citizens. Maybe the most important step is **to raise the consciousness** that all of us are belonging to the same family: Europe.

I think it is not a coincidence that 2013 was declared as *The European Year of Citizens*, and it reflects the efforts of European policymakers to lighten the way towards recovery of the EU as a whole.

“If Europeans do not know their rights, they cannot effectively exercise them [...] The European Year of Citizens will help us change this. It will be a good opportunity to remind people what the European Union can do for every one of us.” (Vice-President Viviane Reding, EU-Commissioner responsible for Justice and Citizenship)

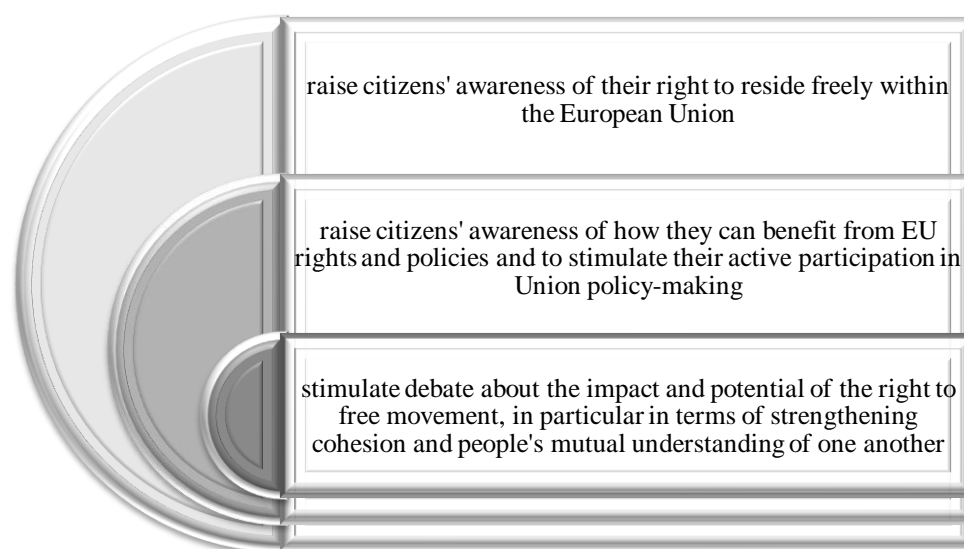


Figure 3. The purposes of the European Year of Citizens

The proposed budget for the activities to take place during the 2013, under the auspices of *European Year of Citizens* is EUR 1 million.

Even if the main aim of the “European Year of Citizens” is to raise the awareness of EU citizens about their rights, it may be observed that those rights do not imply a *passive attitude* but a *proactive* one. The involvement of each of us in this everlasting process of building Europe is the basic foundation of *bottom-up approach*.

Put differently, another key question is **to what extent and under what circumstances mass-media provide a platform for mobilization on EU issues?**

Growing awareness among EU citizens may also be stimulated by an increase in *media coverage* (in terms of new items) and also in *media receptiveness* (in terms of organizational and cognitive readiness to report).

6 Conclusions

The amazing way to deal with the crisis of EU integration is to develop a **new political culture**, able to promote a new idea of EU. I think that our main concern is about being able (or not) to define Europe.

The basic foundation of the **New Era of European Union** is the *conceptual leap* regarding the *European citizen*, because their perception on the European project is vital for its success. Europeans must be *reconnected* and *educated* in the spirit of active participation in the EU affairs.



Figure 4. Necessary steps in changing the perceptions of EU citizens on integration project

In order to transform European Union from a *source of problems* into a *source of solutions*, we need to amend the “Europe of waiting” in the favor of an “animated Europe” and to keep in mind that the most important value of European Union is its *diversity*.

Redefining Europe means to reinvent it as a new *governing form* of the European society. The crisis of EU integration arose from the conservatism and the fear of changing. These tormentors' times must be seen as an opportunity to redesign our socio-economic evolution and the success or the fail of this project must be assigned *equally* between citizens, member states and EU as a whole.

We have the **mission of EU progressive perpetuation**, Europe signifying the complementary part of our national spirit. So, the EU membership must be regarded as a chance to a participative transformation of our *socio-economic wellbeing* and not as a privilege. We have to find the common ground with the others and to be opened to embrace a profound socio-economic transformation. All of these will be possible only by *a constructive dialogue* and *mutual understanding* and by having *the courage to overcome our complexes*, either superiority or inferiority, both at the individual and at the national level, as well.

The **construction of an EU identity** needs an active dialogue between *equal and well informed partners*.

“Due to the paralyzing effects of the battle between *pro-integration* and *anti-integration* member states a *weak Cohesive Europe* may emerge. If the EU2020 fails generating policy reforms for regaining the strength and global competitiveness of the EU, then the EU can be hurt in its internal cohesion and homogenization.” (Agh, 2011)

As Jean Monnet said, we have to “*make all the men work together, to show them that, beyond their divergences or over and above frontiers, they should have a common interest*”. (Jean Monnet Scholarship Programm)]

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